GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1732
ANSWERED ON:12.12.2003
COST OF PRODUCTION AND MRP
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government is aware of their being no rationale behind the cost of production and the MRP resulting into exploitation of consumers at large;

(b) if so, the steps taken to bring rationale between the cost of production and the MRP;

(c) whether the MRP on many consumable items and the crackers and fireworks is 150-200 per cent more than the wholesale price; and

(d) if so, whether there is any proposal to enquire into this and to ensure that the MRP is not excessive to exploit the consumers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD)

(a) to (d): The Standards of Weights and Measures (Packaged Commodities)Rules, 1977 require declaration of retail sale price of the package in the form MRP â€¦.(Inclusive of all taxes), for information of the consumer. The declaration of the MRP on the package has to be made by the manufacture or packer of the commodity. The Rules have penal provision, which prevent the retail dealer from selling the packaged commodity at a price higher than the declared MRP. The selling price of the packaged commodity may vary from location to location depending on various factors like transportation, local taxes, competition etc and may be less than the declared MRP. The consumer is benefited to the extent that the retail dealer cannot charge more than the declared MRP. Competitive market forces would discourage manufacturers/packers from declaring unreasonably high MRP.